

# House Fiscal Staff and General Orientation to the Budget

Legislative Orientation  
November 29, 2016

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# House Fiscal Advisory Staff

- Room 305 - 222-2738

*[http://webserver.rilin.state.ri.us/House Finance/](http://webserver.rilin.state.ri.us/HouseFinance/)*

Senate has separate fiscal office

# House Fiscal Advisory Staff

- Help with understanding budget
  - Briefings/Caucuses
  - Test feasibility of ideas
    - Potential legislation
    - Talking through concepts
  - Fiscal notes
  - Technical assistance

# Key Terms and Concepts

- *Fiscal Year* runs from July 1 to June 30
- *Current Year* is the fiscal year we are in (FY 2017)
- *Budget Year* is the next year (FY 2018)
- *Actual Year* is the fiscal year that just ended (FY 2016)
- *Out Years* are the 4 years after Budget Year (FY 2019– FY 2022)

# Key Terms and Concepts

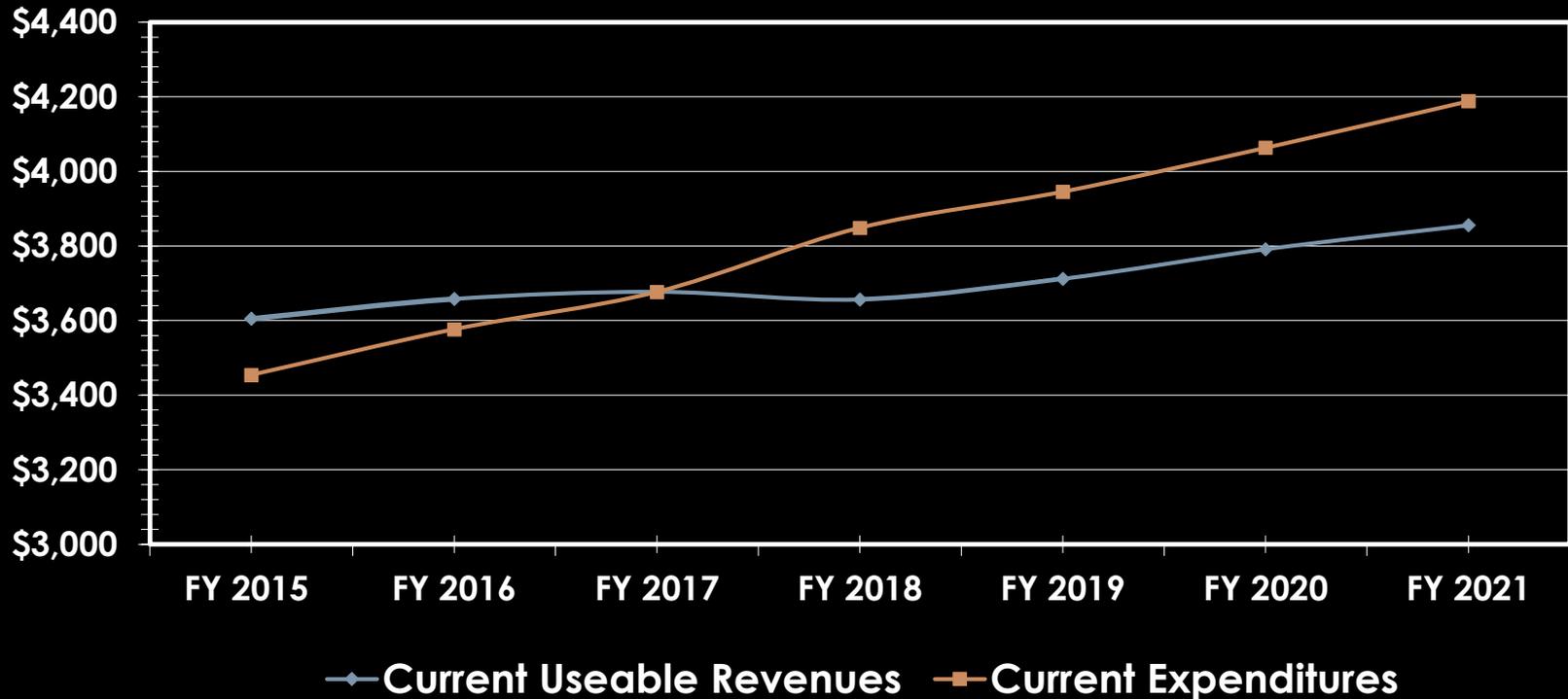
- *Deficits or surpluses* - actual or projected differences between resources and expenditures in the actual year or current year
- *Budget Gaps* - projected differences between estimated resources and estimated expenditures in the budget year and out years
  - Governor must submit a balanced budget to the Assembly for the Budget Year
  - Out Years must also be presented and provide measure of structural issues

# Key Terms and Concepts

- *Cyclical* economic issues arise because the economy goes through growth and contraction cycles, generally around every 7 years or so
- *Structural* issues do not disappear when the economy improves
  - Expenditure base grows faster than underlying economy will support

# Budget and Out Years

## Revenues vs. Expenditures June 2016 Estimates



# Key Terms and Concepts: *Structural Deficit*

- What is it?
  - When current expenses exceed current revenues
  - Prior year surplus or other one-time resources/cuts cover the gap
- Why does it happen?
  - Short term economic events
  - Spending needs/wants growing faster than revenues

# Key Terms and Concepts

- *Legislative grants* - Assembly's Budget
- *Community Service grants* - formerly in agencies' budgets with letter of intent list – now only a few and direct appropriation
- *Bonds and “Kushners”*
  - *General obligation* bonds approved by voters
  - Other borrowing approved by Assembly (**Kushner** process = Public Corporation Debt Management Act)

# Key Terms and Concepts: *Fund Sources*

- *General Revenues* can be used for any legitimate governmental purposes
  - Taxes, lottery, licenses, fees, fines and other miscellaneous revenues
  - 41% of total sources
- *Federal Funds* - Federal tax \$\$\$ that must be used for purposes of the award
  - Generally approximately 33% of total budget; *Medicaid* accounts for over half

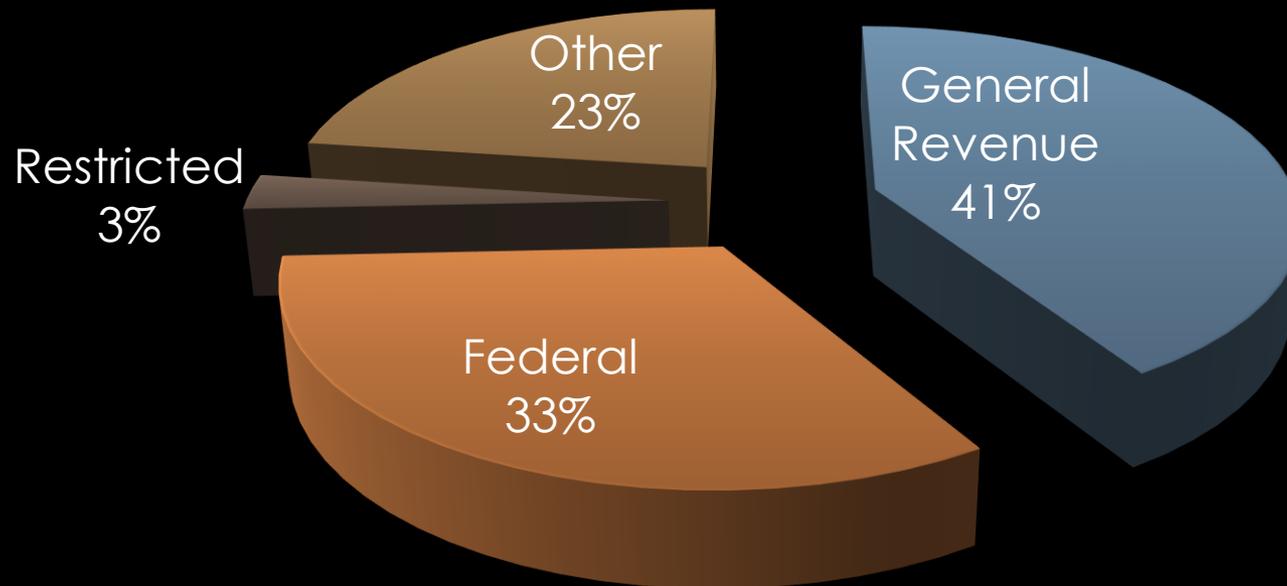
# Key Terms and Concepts: *Fund Sources*

- *Restricted Receipts* must be used for the purpose for which collected as provided by statute – 3% of total sources
- *Other Funds* include trust funds, transportation fund, university and college funds, employment security - specific purposes - 23% of total sources

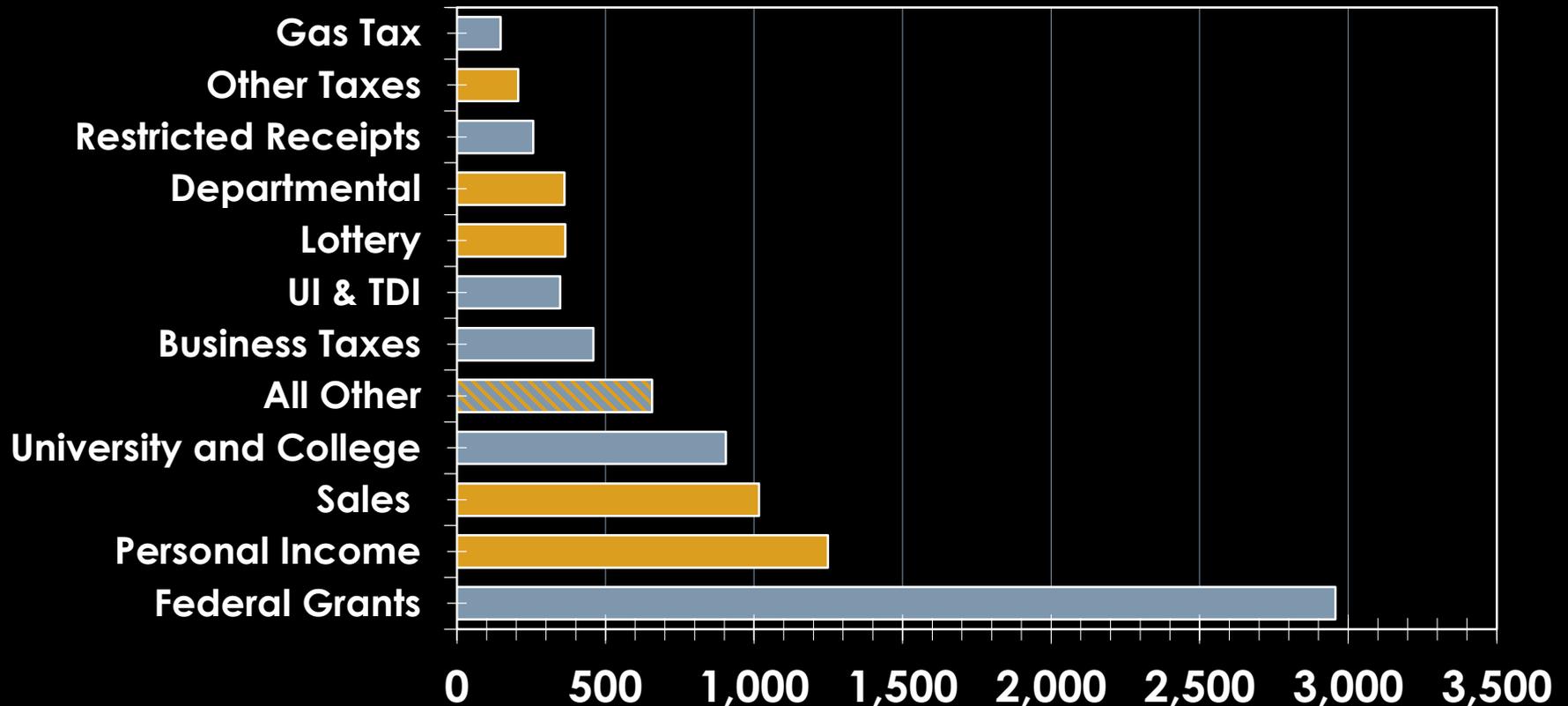
# Governor's Budget

- Budget *documents* explaining budget and recommendations
  - Organized by major functions
- Budget *bill* (appropriation bill) converts into *appropriations* – *must start in House*
  - *Appropriation lines*, generally by program, called *line items*, and are supported by 45,000 row data base
  - *Budget Articles* amend statutes to carry out budget

# Fund Sources

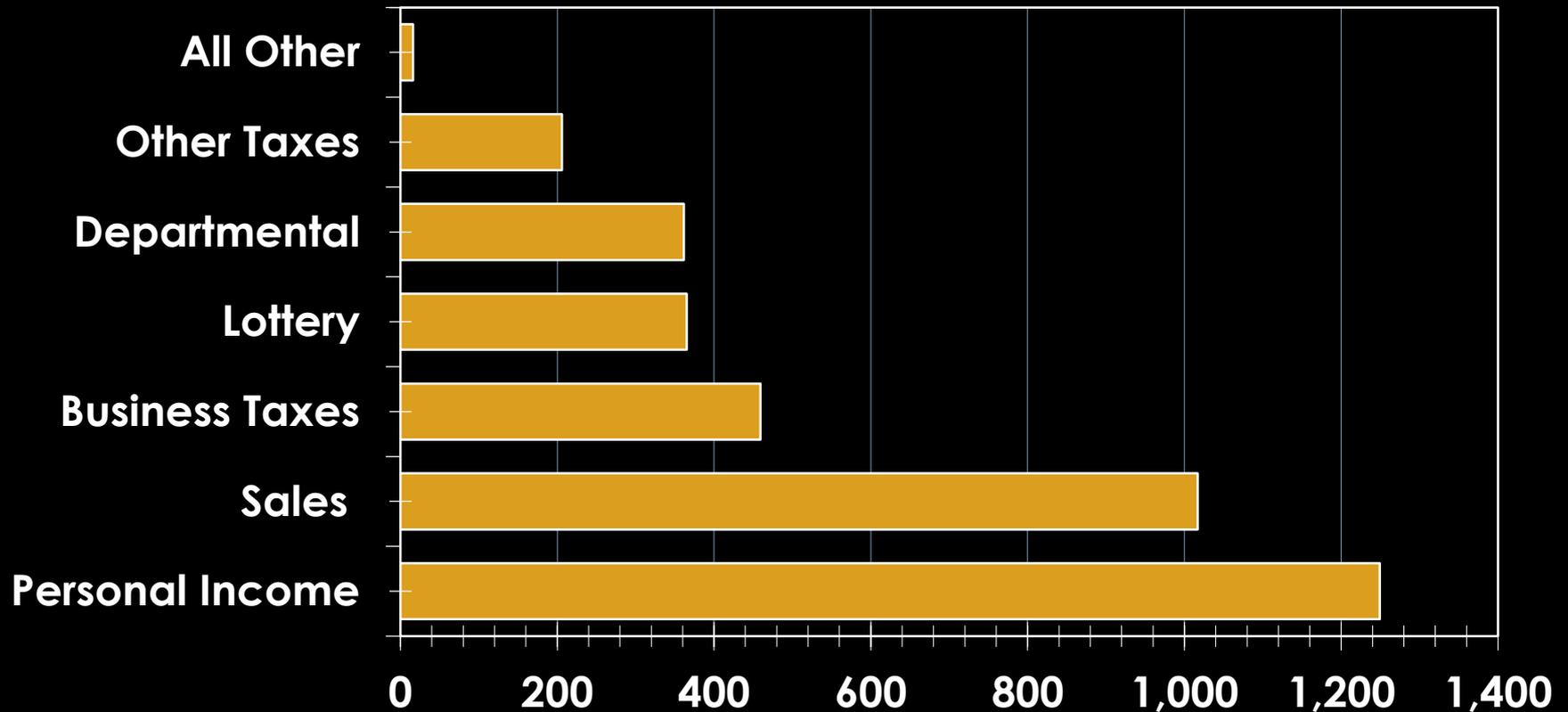


# All Sources (\$millions)

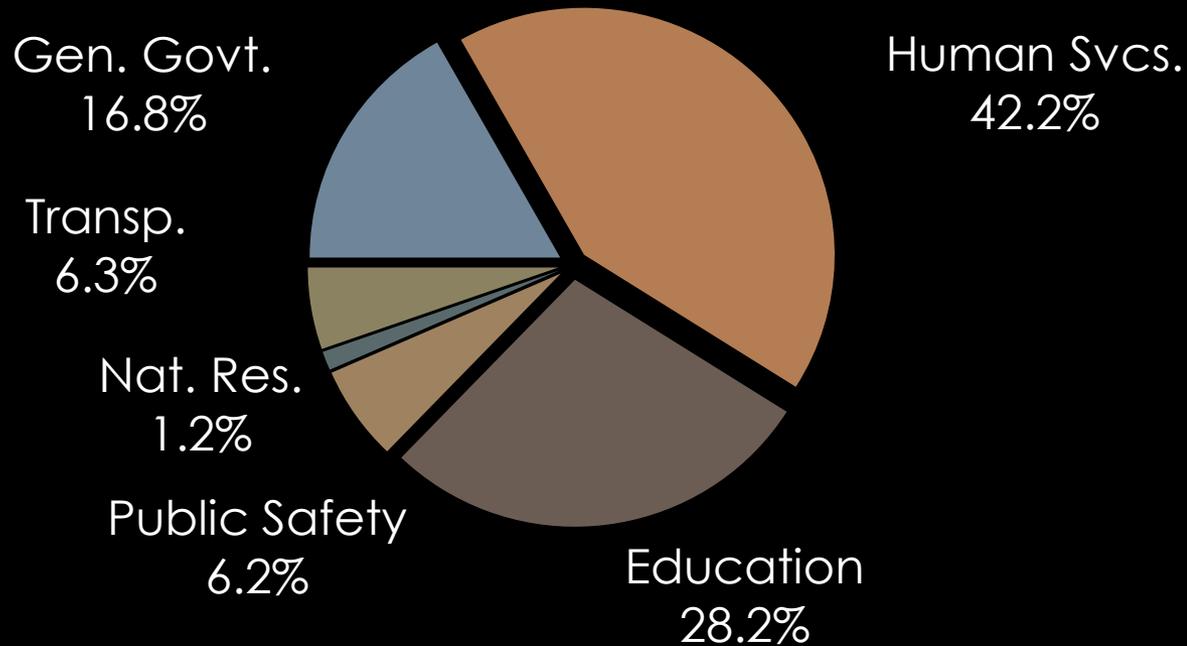


# General Revenue Sources

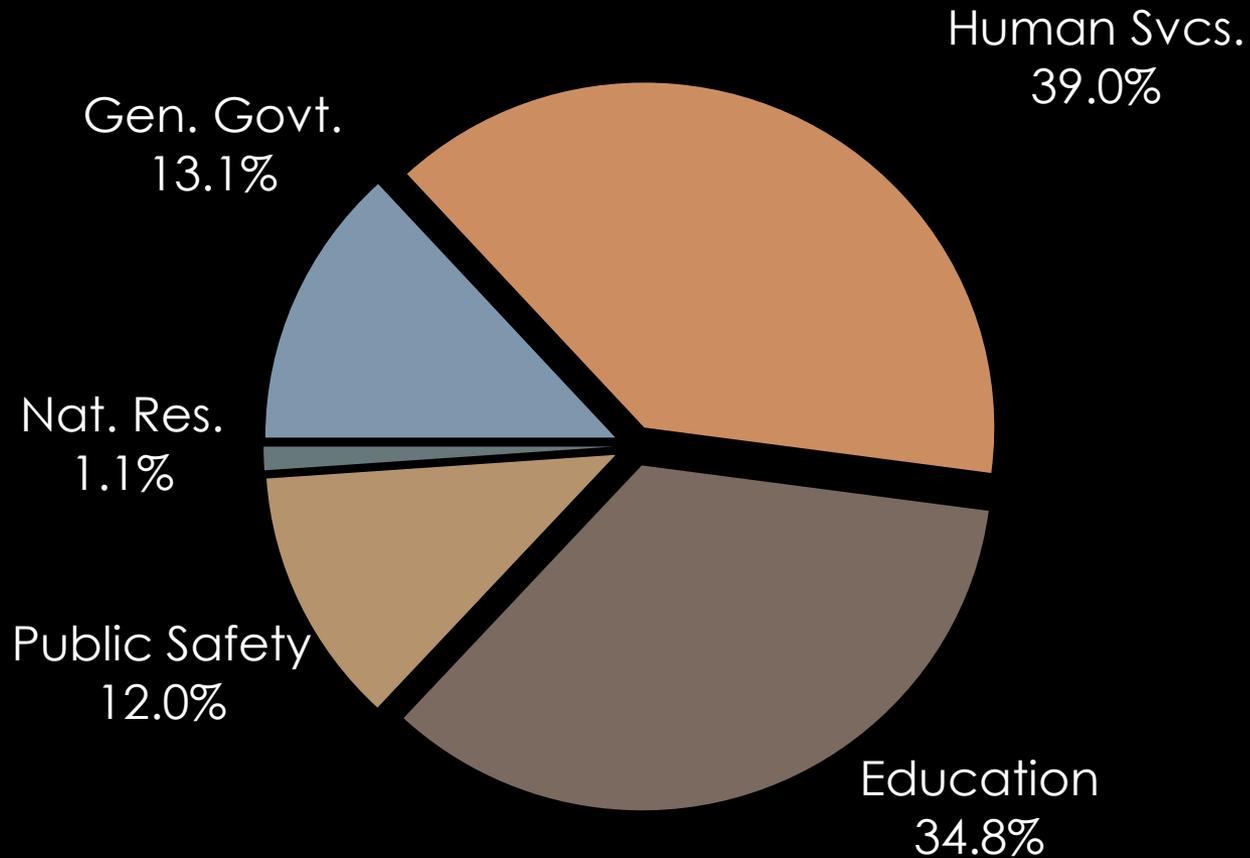
(\$millions)



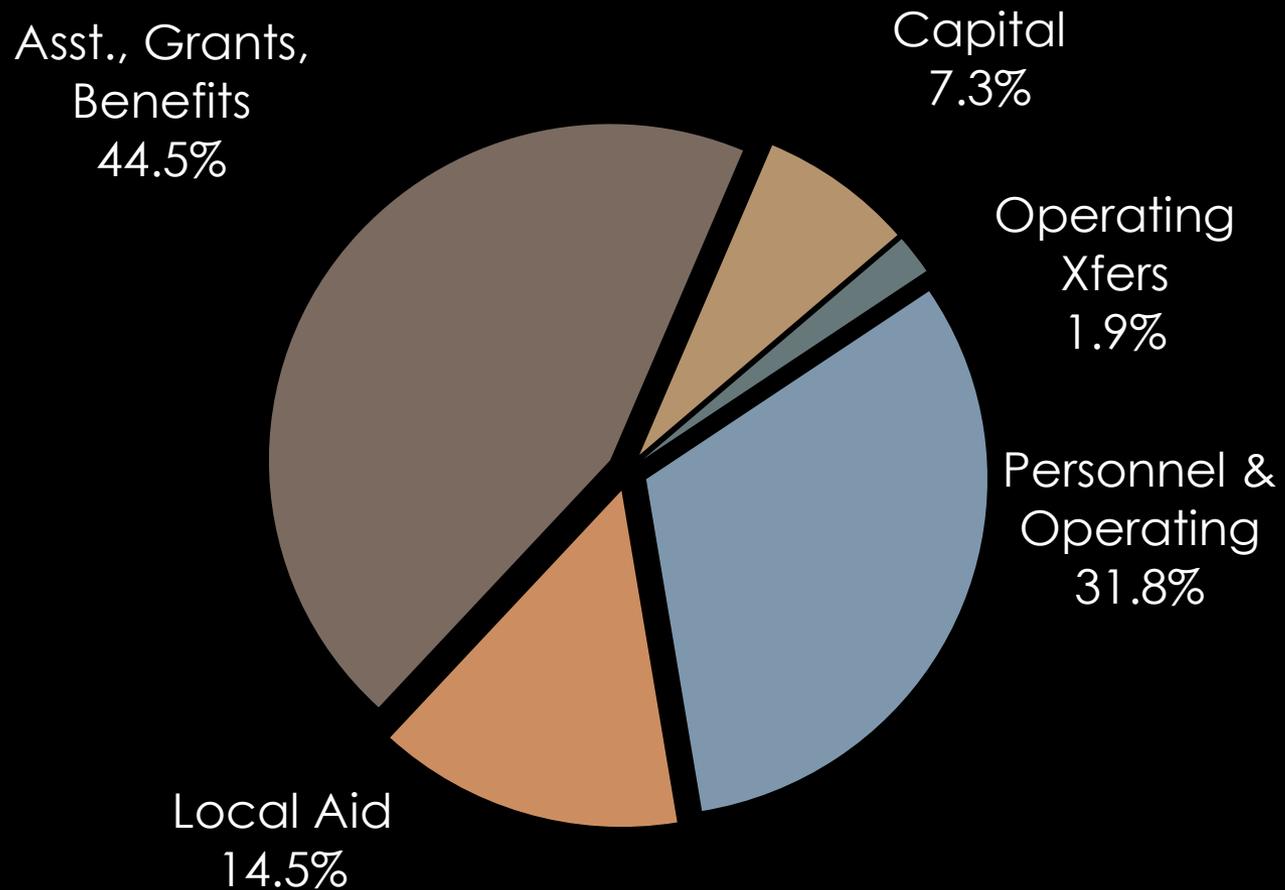
# Uses – All Funds by Function



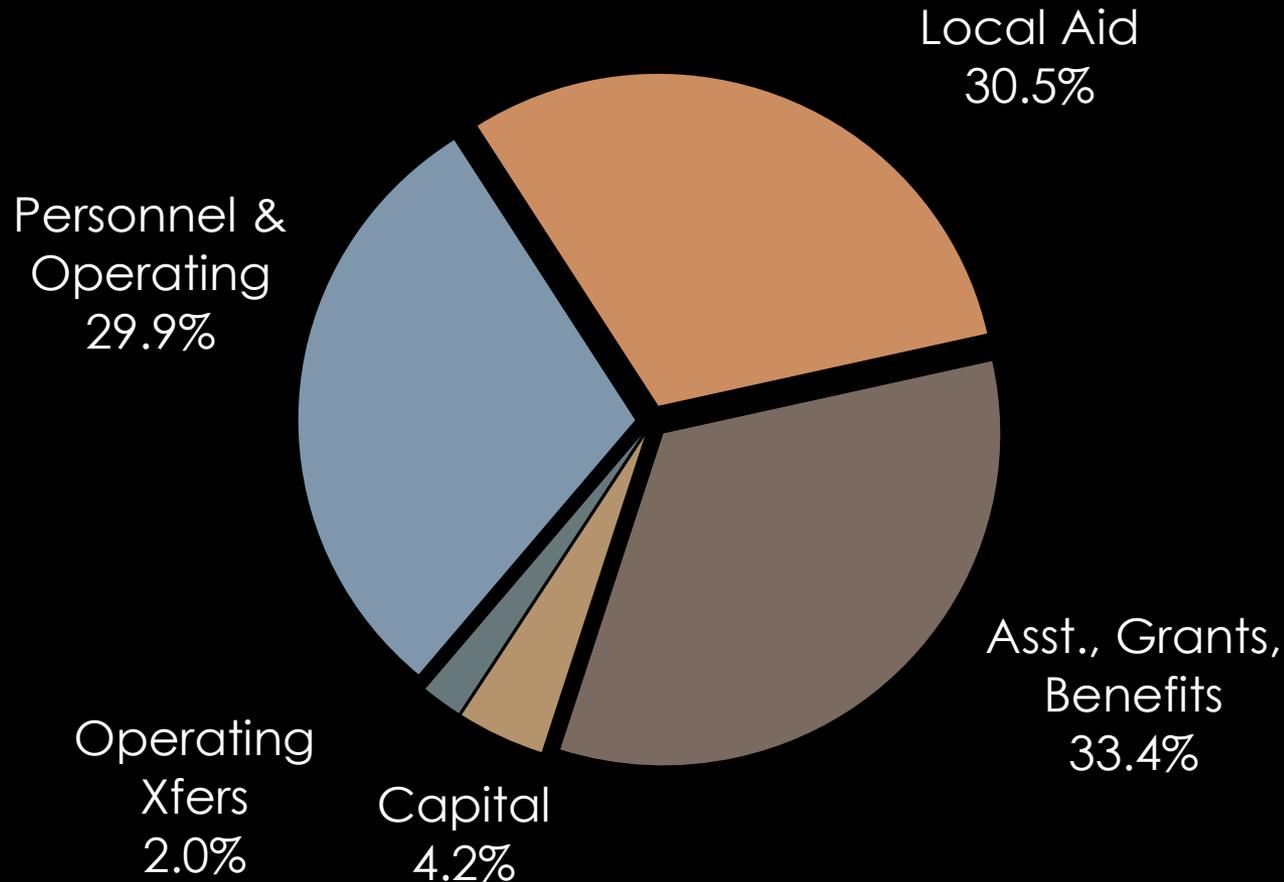
# Uses – General Revenues by Function



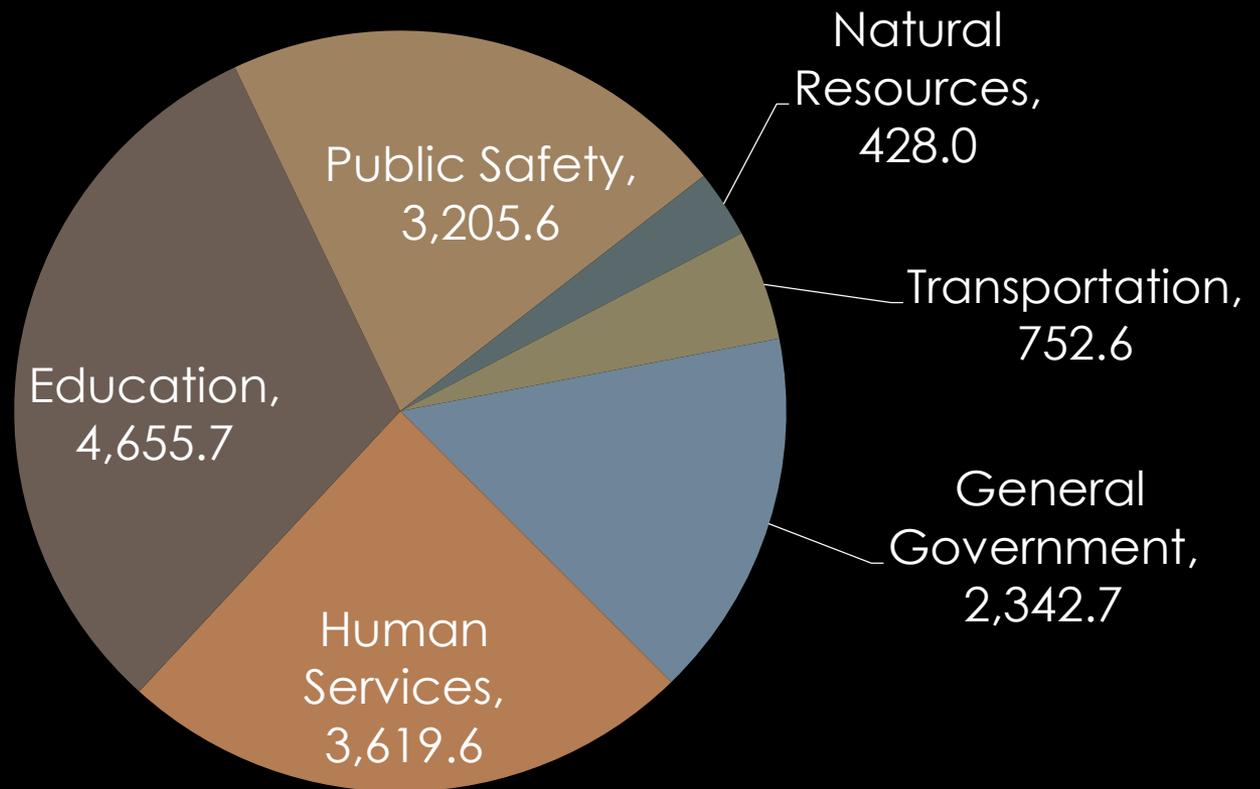
# Uses – All Funds by Category



# Uses – General Revenues by Category



# Authorized FTE By Function



# Full-time Equivalent Positions

	Regular	3rd Party	Total
FY 2015 Avg.	13,212.7	588.3	13,801.1
FY 2016 Avg.	13,097.9	591.7	13,689.6
<b>FY 2017 Enacted</b>	<b>14,206.8</b>	<b>745.8</b>	<b>14,952.6</b>
<b><i>Avg. Filled 11/16</i></b>	<b><i>13,104.1</i></b>	<b><i>597.9</i></b>	<b><i>13,702.0</i></b>
Diff. from Enacted	(1,102.7)	(147.9)	(1,250.6)
Diff. from FY 2016	6.2	6.2	12.4

# Process and Calendar

- July 1, new fiscal year begins
- Budget Office sends instructions to agencies and departments
- November – revenue and caseload estimating conferences
- Budget Office & Governor develop current year revised budget & budget year recommendations

# Process and Calendar

- Governor submits budget to General Assembly on or before 3rd Thursday in January and sponsors introduce budget bill in the House on behalf of Governor
  - This year it is January 19, 2017
- Newly inaugurated Governors have until the 1st Thursday in February

# Process and Calendar

- Bill referred to House Finance Committee
- House and Senate Finance Committees work the budget during February, March and April through their Subcommittees
- Revenue and caseload estimating occurs again in May

# Process and Calendar

- House and Senate resolve differences
- House Finance Committee reports budget, House passes, sends to Senate, which passes and sends to Governor in June

# Fiscal Notes

- Brief statement estimating impact of a bill or resolution
  - Current Fiscal Year Estimate
  - Estimates for next 2 succeeding Fiscal Years
  - Technical or mechanical defects in the legislation
  - Approval of estimate by Fiscal Advisor

# Fiscal Notes

- State Fiscal Notes prepared by State Budget Officer and/or State Agencies
- Municipal Fiscal Notes prepared by Division of Municipal Finance (DOR), RI League of Cities and Towns, and/or individual municipality

# Resources and Publications

- *Budget Analysis*
- *Budget recommendation briefing materials*
- *Budget as Enacted*
- *Local Aid and Education Aid, Revenue Facts*
- *Staff Presentations to Committees*
- <http://webserver.rilin.state.ri.us/HouseFinance/>

# Resources and Publications

10:17 AM  
webservice.rilin.state.ri.us



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### House Fiscal Reports

BRIEFINGS AND PRESENTATIONS	BUDGET ANALYSES	GOVERNOR'S REQUESTED BUDGET AMENDMENTS
<a href="#">2016 Session</a>	<a href="#">2016 Session</a>	<a href="#">2016 Session</a>
<a href="#">2015 Session</a>	<a href="#">2015 Session</a>	<a href="#">2015 Session</a>
<a href="#">2014 Session</a>	<a href="#">2014 Session</a>	<a href="#">2014 Session</a>
<a href="#">2013 Session</a>	<a href="#">2013 Session</a>	<a href="#">2013 Session</a>
<a href="#">2012 Session</a>	<a href="#">2012 Session</a>	<a href="#">2012 Session</a>
<a href="#">2011 Session</a>	<a href="#">2011 Session</a>	<a href="#">2011 Session</a>
<a href="#">2010 Session</a>	<a href="#">2010 Session</a>	<a href="#">2010 Session</a>

COMMUNITY SERVICE GRANTS	SPECIAL PUBLICATIONS	OTHER RESOURCES
<a href="#">2015 Session</a>	<a href="#">2016 Session</a>	<a href="#">2016 Session</a>
<a href="#">2014 Session</a>	<a href="#">2015 Session</a>	<a href="#">2015 Session</a>
<a href="#">2013 Session</a>	<a href="#">2014 Session</a>	<a href="#">2014 Session</a>
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<a href="#">2011 Session</a>	<a href="#">2011 Session</a>	<a href="#">2011 Session</a>



### House Fiscal Advisory Staff

- [House Fiscal Advisory Staff](#)
- [House Committee on Finance Agenda](#)
- [Legislative Committee Calendar](#)
- [Senate Fiscal Office](#)
- [Budget Office](#)

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